

The American Observer

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

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Coal Miners Strike Throughout Country

Walkout, Previously Postponed Many Times, Calls Attention to Industry's Ills

HOPE SEEN IN GUFFEY ACT

But Many Believe Measure Does Not Go Far Enough to Solve Problems

For the fifth time in the last few months a nation-wide strike has threatened in the bituminous coal industry. Last week approximately 400,000 coal miners laid down their picks and shovels and went out on a strike as the mine operators refused to comply with their demands for an increase in wages. From the national headquarters of the United Mine Workers of America, the labor organization to which most of the workers of the industry belong, the call went out to strike September 23. But the walkout was not expected to be protracted as the differences between the workers and the employers were slight, and a compromise was expected to come from the conferences which had been called.

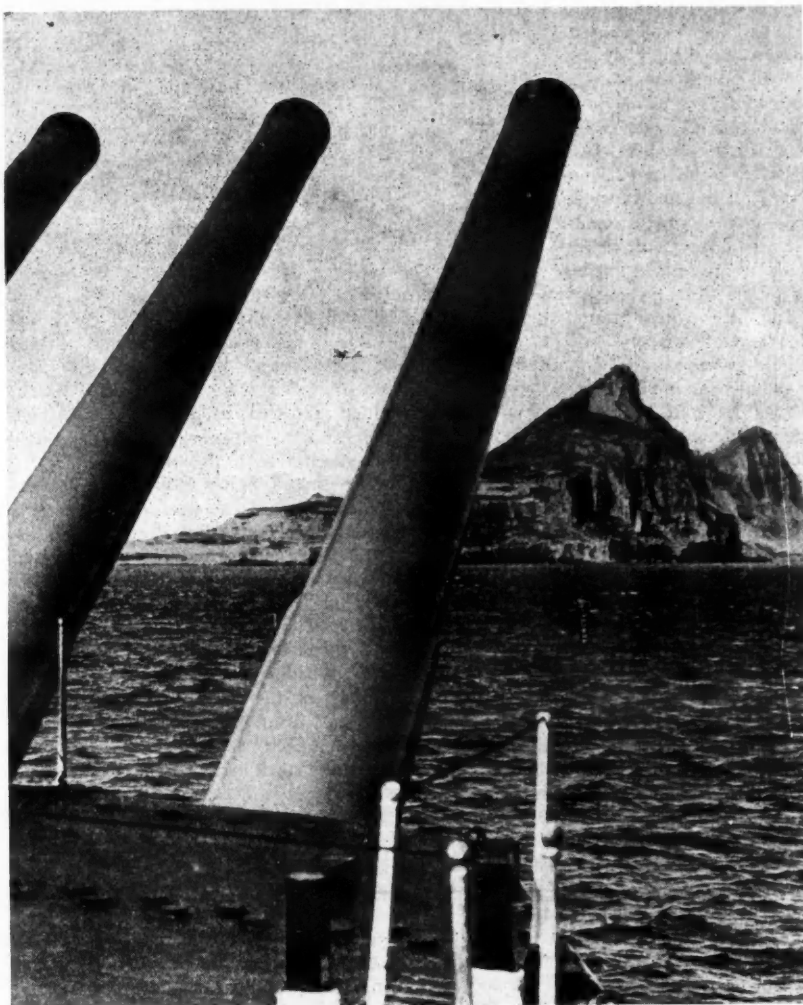
But even if a strike which would create one of the most serious labor disputes the Roosevelt administration has yet confronted is temporarily settled, the troubles of the soft coal industry will still remain acute, and it will take nothing short of a miracle to ward off future difficulties in the coal fields of the nation. From the standpoint of both the workers and the owners, conditions as they have existed for more than 10 years are highly unsatisfactory. Neither group is contented, and neither is likely to be satisfied until a solution of the major problems of the industry is found, if a solution is possible. One need only visit a typical soft coal mining town to realize the sad state of affairs which exists in this industry. Such villages are scattered throughout the country, for soft coal mines are to be found in more than half the 48 states.

Workers' Plight

The principal grievance of the worker is not so much that his wages are not high enough, as it is that he does not have steady work. Not for a good many years have coal miners had anything like full-time employment. For a period of 32 years, ending in 1921, soft coal miners worked an average of only 213 days a year. During the "greatest wave of prosperity in the history of the country," from 1922 to 1929, they found employment for only 189 days a year, and by 1932 their working days were but 145. Thus the typical mining town presents a picture of squalor and abject poverty. The families of the miners live in tiny, unpainted huts. They have little furniture. Coal dust is in the air, and the walls and windows are begrimed. The children are undernourished, pale, and dejected. The women have a woebegone appearance. Groups of unemployed or half-employed men are sitting around the village store or on the porches. The atmosphere is one of sadness and depression.

This is not, of course, the whole story of the coal miners. The workers in the village we have been describing have at least 145 or 150 days of work a year.

(Concluded on page 8)



GATEWAY TO THE MEDITERRANEAN

© Wide World

On one side stands the famed, fortified Rock of Gibraltar. On the other, alert guns of British battleships tensely await developments.

To Make Life Safer

The intelligent and public-spirited citizen must be discouraged in the performance of his duty sometimes because of the baffling nature of many great economic problems. Try as he may, he cannot understand them fully. He is not sure what steps should be taken toward their solution. He must continue to work with them, must feel his way toward their settlement, and study them untiringly. There is no other course. But he must wish at times that the problems he faces might be simpler.

It is doubtful, though, whether he would act much more effectively even if the problems were not so difficult. There is one relatively simple problem to which the average citizen gives little attention. Yet it is one of the most serious problems of the present day. If it were handled in a sane and determined way, thousands of lives would be saved. Unnecessary grief in thousands upon thousands of homes would be avoided. America would be a far safer and happier land. There are a hundred traffic deaths each day in the United States, or rather, such is the average daily number. This has become alarmingly serious. Every day we read of helpless little children who step out upon the road or street only to be struck down and slaughtered by some reckless driver. Mothers, fathers, brothers, sisters—their lives snuffed out needlessly. Think what that means in terms of human anguish! Yet it is happening every day in every city of the land.

Now this is not necessarily a baffling problem. It is difficult and demands study, but it can be handled. Killings on the road cannot be totally stopped, but the number can be drastically reduced. Something can be accomplished if in every school and every home the necessity of care and prudence in driving is emphasized. Something more may be done if driving when intoxicated is made a felony. It may be well to put regulators on cars which will enable them to be driven efficiently up to a certain speed, let us say 50 miles an hour, but which would make a higher speed impossible. Probably it is even more important that there be a very strict enforcement of existing traffic regulations. We have a very considerable army and navy to ward off foreign foes who may never appear. Let us consider it equally important to increase our traffic forces, double them, if necessary, so as to curb the operations of foes to life and safety who are actually doing their deadly work in our midst. Let us do these things and whatever else may be necessary in order that preventable accidents may be avoided and that life may be safer in this land of ours.

British See Menace to Trade of Empire

Vital Mediterranean Sea Routes Endangered by Italy's Plans in Ethiopia

MUST KEEP CHANNELS OPEN

Threat of Complications in Africa Add to Permanent Difficulties of British Isles

Twenty-one years ago Great Britain went to war, chiefly because her mastery of the sea was threatened. A number of other motives were involved in her decision to plunge into a conflict which soon engulfed many nations, but the question of sea power was foremost in the British mind. It seemed essential that Britain should be able to keep the sea lanes open so that her commercial ships might go unmolested to the corners of the world, carrying English goods and bringing back the products of other lands. Today the British are again at the brink of war. Again the motives are varied and complicated, but again the question of sea mastery is an impelling cause of British determination to fight if necessary. The British government and people think that they must control the sea routes which connect the many scattered fragments of their far-flung empire.

The Place of Trade

The explanation of this consistent policy of the British is simple enough. England lives by trade. Her ships bring raw materials to her factories which weave, hammer, carve, and process them into finished products. British ships haul these finished goods abroad for sale, largely to those nations, colonies, and dominions which furnished the raw materials. The difference between the initial cost of these raw materials and the final cost of the manufactured products has furnished British sailors, weavers, mill hands, and factory workers with wages, and British merchants, bankers, ship owners, and manufacturers with profits.

British industry depends upon two things: access to raw materials and markets for finished products. There is plenty of coal in England and Wales, but most raw materials are lacking. Britain must depend upon others for two-thirds of her food, most of her wool, all of her cotton, lumber, building materials, and certain other necessities of life. And of course, British industry would collapse if markets were not available for the finished products in the manufacture of which so many people and so much of the capital find employment.

The British are so completely dependent upon trade that they feel they must keep the channels of trade open. They must have such a strong navy that they can beat down anyone who undertakes to close any considerable part of the world to British trade. "Britannia rules the waves" has been the proud boast of Englishmen for generations. Early in this century the Germans challenged British dominance of the seas. They began the building of a navy which might soon have been strong enough to meet the British fleet on equal terms. If this had happened, the British would have been dependent for their safety upon German good will.

The German menace was beaten off. Germany was defeated and her navy was destroyed. The English gained a breathing spell. Now Italy threatens to build a strong colony near the Suez Canal, threatens to extend her power across the Mediterranean. If this were done, one of the sea routes which connects Britain with her markets and sources of supply would be at the mercy of a foreign nation. So Britain bristles in protest and threatens to check the Italian challenge by force, aided probably by the members of the League of Nations.

The British may stave off this latest threat to their sea supremacy. Their navy may keep the sea lanes open. But this alone will not guarantee the future prosperity of British industry. Britain may lose a large part of that foreign trade which has contributed so much to her industrial strength and to the well-being of her people. She may lose it without losing a battle.

Markets Declining

For something which causes the British grave concern has been happening in the world lately, especially since the World War. British industry has lost a large part of its market, through peaceful proc-



LONDON
Seat of the British Empire

esses. The formerly backward nations which sold raw materials to the British and bought finished products have lately been building factories of their own—weaving colonial-grown wool and cotton into colonial manufactured clothes, thus saving the expense of sending raw materials over the seas for finishing. Japan, for example, recently backward industrially, has been moving forward. Her modern, finely equipped textile industry now rivals the British. Factories (often financed by British capital) have sprung up in Africa, Asia, and South America.

We seem to be moving into a new industrial era, under which each nation will tend to do its own manufacturing, and import from abroad only those raw materials which it cannot blast from its own mountains or raise on its own soil; each formerly "backward" country protecting its own "infant industries" from outside competition with high tariff walls.

Part of the tendency is due to nationalism and war fever. Many nations, fearful that a blockade might cut off necessary supplies, are endeavoring in time of peace to make themselves self-sufficient units, raising and manufacturing everything they need within their heavily fortified frontiers. They can do this, of course, but only at heavy expense to the standard of living of their own people. Yet it is largely part of an inevitable economic evolution. The backward nations are growing up, and the world is suffering from economic growing pains. Since England is so largely dependent on foreign trade, these sharp throbs have been felt most acutely there.

These trade restrictions, coupled with industrial developments in nations until recently backward, have brought crisis to British industry. They have intensified the depression everywhere, particularly in Great Britain. Tariff barriers against her products (and Japanese competition)

stopped the wheels of her factories and threw thousands of workmen on the dole. These same tariffs, plus exchange restrictions, quotas, and the growing economic chaos of the depression, prevented foreign and colonial borrowers from repaying their loans to British bankers and investors, thus cutting off another vital source of British income. The general drying-up of foreign trade hit British shipping and ship-building industries, another important revenue source. Work was stopped temporarily on the mammoth *Queen Mary* in the shipyards at Clyde. British ships have not only transported all England's foreign trade from ocean to ocean, but also a large part of the trade of foreign countries with each other, including that of America.

The little British tramp steamers, life blood and backbone of her merchant marine, either rusted idly in British docks or steamed mournfully from port to port, seeking to coax, by deeply cut freight rates, cargoes into their holds and across those tariff barriers which were springing up to block trade at every little custom house and frontier port of entry.

These evil days did not come upon Great Britain swiftly in the crash of 1929 which sent business toppling in the United States. The forces which we have mentioned had been working havoc upon British industry for a long time. The 1920's, the "roaring twenties" we call them in America, were years of strain in Britain. Times there were hard during the period following the World War. The depression did not strike the British with such heavy force as it did Americans, because they did not have so far to fall. It was never so severe over there as here, and they are getting out of it more quickly. Unemployment has fallen off 40 per cent from the peak in England, and only 20 per cent in America. British stock prices are now back to where they were in 1929, though, of course, they were not so high in 1929 as American stocks were.

It is not to be supposed, of course, that Britain's economic troubles are over, now that she is getting out of the depression. She is apparently recovering from the crisis which came upon her and the rest of the world in 1929, but her serious permanent difficulties remain. She still has on hand the problem of declining foreign trade. She is still confronted by the probability that the nations upon whom she depended for raw materials and for a market, will do an increasing amount of their own manufacturing, depriving the English of the sort of employment which, in the past, has made them prosperous. It is also probable that the military and naval problem of holding in one empire a third of the globe will become increasingly difficult, and it may after a while prove impossible. It is by no means unlikely that the star of the British Empire is slowly setting.

Meanwhile it is interesting to study the British recovery from the present depression and the policies by which the government undertook to hasten that recovery. In certain respects the British experience may be compared with the American. In other respects policies are in sharp contrast.

In the first place it will be observed that the British, like the Americans, went off the gold standard. This tended to make the money in both countries cheaper in terms of gold. When the English paper pound and the American paper dollar could no longer be redeemed in gold, their gold value fell. If we say that money is cheap it means that it will not buy so much. That is another way of saying that prices are high. It takes more money to buy goods than before. So prices have risen somewhat in England and America as a result of the countries' going off the gold standard. The rising prices have helped farmers and debtors. It has been easier for people to get money to pay their debts.

In both Great Britain and the United States the unemployed have been cared for by the government. Both governments pay out a great deal for relief. The



THE SUEZ CANAL, VITAL CONNECTION BETWEEN ENGLAND AND HER EASTERN INTERESTS

English had been doing it for years, while the Americans began it in 1933. But here is an important difference: the British levy very heavy taxes upon themselves and pay their way as they go. In the United States the people oppose such high taxes, and the government borrows money and goes heavily into debt.

The United States has had, under the Roosevelt New Deal, a reform as well as a recovery program. The President has insisted upon changing business practices and in bringing in more government regulation. Laws have been passed undertaking to fix a level below which wages should not fall; there have been laws limiting the hours of labor in industry; workers have been given the right to organize; unemployment insurance and old-age pension laws have been passed; banks, utility companies and stock exchanges have been regulated.

Long-Standing Reforms

The British have not carried out a reform program of this kind, but there has been no occasion for it since measures similar to practically every one of those recently enacted in America was adopted in Great Britain long ago. Labor has had the right to organize in Great Britain since 1850. Child labor was abolished in that country in 1833. The British unemployment and old-age pension system dates from before the World War. The recent American law regulating stock exchanges and stock sales was modeled after the British company's act. British banking has long been centralized, and there has not



BOMBAY
City in India, one of the empire's far-flung members.

been a large bank failure in that country for 40 years.

Of great importance is the fact that the British have imposed high taxes upon themselves and have balanced their budget. As a result England's revenues not only equal her expenditures, but for the last two years her budget shows a modest surplus—at a time when the American government has been spending several billions more than it received in taxes.

England's immediate future seems solved, but not her future in terms of the next

few decades. If we are moving into a world where each nation does its own manufacturing and exchanges only raw materials and a limited amount of finished products, England's future problems will be trying. The little island which explored and colonized much of the known world, which gave it a priceless heritage of democratic self-government and individual liberty cannot hope to feed its 45,000,000 people and keep them in comfort without extensive foreign trade.

Yet Englishmen, seeing this, believe that their people will walk bravely forward to meet a darkening future, in the spirit of those closing lines of Noel Coward's "Cavalcade," hoping "that this country of ours, which we love so much, will one day find dignity, and greatness, and peace again."

SOMETHING TO THINK ABOUT

1. Do you believe that the Guffey act will remove the principal obstacles to a revival of the soft coal industry? Why?
2. In your opinion, was Congress justified in passing the Guffey bill even though there were considerable doubts as to its constitutionality?
3. If you were asked to work out a formula to solve the coal industry's problems, what recommendations would you make?
4. Is there any basic difference between the motives which forced England to go to war with Germany in 1914 and those which are today making her take such a strong stand against Italy?
5. In what way would Britain be affected by Italian dominion of the Mediterranean? How might the British Empire be affected?
6. To what do you attribute the recovery which England has been enjoying during the last year or so? Do you think it has a sound basis?
7. What are the essential differences between the overseas expansion of nations today and those which took place during the sixteenth and seventeenth centuries?
8. Cite examples of propaganda spread through the press, the movies, or the radio that you have noticed. Was it conservative or radical propaganda?
9. If you had authority to speak for the League of Nations Council, what reply would you make to Mussolini's demands with regard to Ethiopia?
10. Do you think the American Liberty League's plan of having lawyers pass on New Deal measures is justified?

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PRONUNCIATIONS: Il Duce (eel doo'-chay), Haile Selassie (hi'lee se-las'-see—i as in ice), Manuel Quezon (mah'noo-el kay-son'—o as in go), Aguinaldo (a-gee-nal'do), Gregorio Aglipay (gray-go'-ree-o ah'glee-pi—i as in ice), Litvinoff (leet-vee'noff), Eritrea (ay-ree'-tre-a).

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AROUND THE WORLD

Geneva: Last week the diplomats of the world, assembled for the meeting of the League of Nations in Geneva, stood more than ever in the shadow of Mussolini. His hands held the key which would determine whether or not the Italo-Ethiopian dispute meant war. For the League Council had submitted its peace proposal, and the next step had to be taken by the parties to the dispute—in other words, Mussolini was called upon to give Italy's answer.

The League Committee of Five—France, Great Britain, Spain, Poland, and Turkey—drafted its proposal and turned it over to the Council. The committee suggested in-



CRASH!

—Kirby in N. Y. World-Telegram

ternational action to "assist" Ethiopia, with four foreign advisers for her police force, economic development, finances, and public services. All these advisers, together with a League delegate to supervise the work, would be named by the League Council, and would report yearly to Emperor Haile Selassie and to the Council. Then, Great Britain and France offered, from their own colonial territory, a sea outlet to Ethiopia. And they recognized "Italy's special interests in the economic development of Ethiopia so long as her own recognized rights and interests are safeguarded." The whole proposal was an attempt to go as far as possible toward meeting Mussolini's demands in Africa without (a) war, or (b) overriding Emperor Haile Selassie's sovereign rights to Ethiopia's territory.

Il Duce waited until Ethiopia, the other party to the dispute, had accepted the proposal. Then he threw a bombshell into the Geneva meeting by announcing, in the strongest language, that the League's suggestion was "inacceptable." Too little territory was offered to Italy. Italy must have a zone connecting her colonies, Eritrea and Somaliland, with Ethiopia's capital—this zone, he intimated, should be from 30 to 60 miles wide, and should be used for an Italian railroad, flanked by Italian troops. And the Ethiopian army must be disarmed under Italian supervision, and not, as the League suggested, left under the emperor's control.

Mussolini's demand, in substance, was for Italian rule in Ethiopia. No one in Geneva knew whether he would accept an Italian mandate over all of Ethiopia's territory that was not "Amharic" (occupied by the Abyssinians themselves), and no one was sure how much further France and Great Britain were prepared to go in their efforts for a peaceful settlement. Meanwhile, outside Geneva, the three-way relations between Rome, Paris, and London grew more strained. The British fleet continued to mass in the Mediterranean. There was an exchange of notes between Italy and Great Britain, in which the British



THE LEAGUE COUNCIL IN ITS HOUR OF TRIAL

French Premier Pierre Laval is seated at the center of the table. Britain's Anthony Eden and Russia's Litvinoff are at the extreme right. Italy's Aloisi has his seat at Laval's right, but when this picture was taken he had walked out of the Council in order not to be present when the Ethiopian delegate was speaking.

assured Mussolini that the fleet was there for no "military" purpose (in other words, that the British would not attempt to halt an Italian drive towards Africa). And Italian ships carried fresh loads of troops through the Suez Canal into the African zone that may soon flare up into hostilities threatening the peace of Europe.

Russia: Soldiers and officers in the Soviet army are entering a new period of training—not in manipulating engines of war, but in foreign languages. The Russians will be taught French, German, and Japanese by listening to conversations on the phonograph. And they will also receive instruction in English.

Although the French and German will be taught to the army in the same way that it is taught in schools all over the world, a special type of English will be used. English has been cut down to a foundation of 850 words, "Basic English," by Dr. C. K. Ogden, professor of psychology in the great British university at Cambridge. Mme. Ivy Litvinoff, wife of the commissar for foreign affairs, has long been an enthusiastic disciple of Basic English, and it was at her suggestion that this simplified form was chosen for the army.

The secret of Basic English is that it rids the language of all but a few root verbs. For instance, the grammars tell us that a man "disembarks" from a boat, "obtains" a job, or "escapes" the police. According to Dr. Ogden, he gets off the boat, gets the job, and gets away from the police officer. By cutting down the number of verbs, in which English abounds to an extraordinary degree, Basic English has 600 words left for the names of things, and can get around most of the usual demands of conversation.

Switzerland: The Swiss people are analyzing the results of their recent referendum on the constitution, in which they decided, by a vote of 501,002 against 194,678, not to revise the constitution's fundamental law. The party demanding revision has not accepted the vote of the referendum. They contend that it sprang merely from fear, that many Swiss who view the con-

stitution as obsolete shrink from opening the issue at this time because of the dangers of communism and fascism, which might be expected to come to a head if constitutional checks were removed.

Switzerland's constitutional problem is not unlike our own. The Swiss live under one of the oldest federal governments in the world, by which power is divided between the central administration and the states, or "cantons." The central government finds that its power to deal with economic and international questions is hampered by obstruction from the cantons. Those who favor important economic changes feel that the central government should be empowered to make them.

The majority of the Swiss, however, are conservatives. They fought to free their country from foreign domination in the past and they prize their liberty jealously. Many of them feel that if power is centralized at the present time, Switzerland might fall into the hands of an energetic group of fascists or communists in the national legislature. They were suspicious of the fact that the fascists, along with their enemies the communists, were the staunchest supporters of the proposal to revise the constitution.

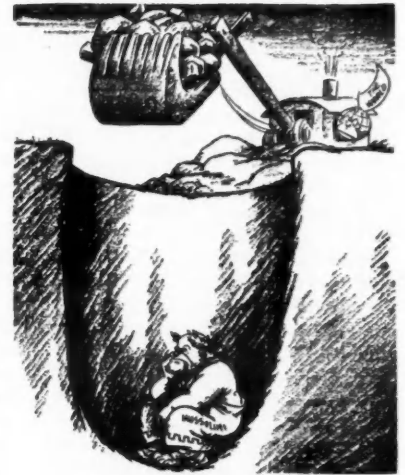
Philippines: Senator Manuel Quezon will be the first president of the new Philippine Commonwealth, as a result of the presidential election just held in the islands. Senator Quezon ran far ahead of the two rival candidates, General Aguinaldo, leader of the Philippine revolt against the United States 27 years ago, and Bishop Gregorio Aglipay, head of the Philippine Catholic Church.

Quezon ran on a moderate program, based on a policy of cooperation with the United States. Both General Aguinaldo and Bishop Aglipay demanded an immediate end to American activity in the Philippines. But even in Manila, the city which was the center of anti-American feeling and which was expected to give Quezon a close race, the senator had a clear majority over his rivals. The election was conducted with a very small display of violence, despite the predictions of many who were

opposed to independence for the Philippines.

Senator Quezon's election automatically abolished the office of governor general, which was held by Frank Murphy. Mr. Murphy, however, will continue as resident high commissioner of the Philippines. The officers of the new government will be inaugurated on November 15.

Germany: Under the lash of persecution, the German Jews are splitting into two distinct parties. The larger, and more influential, group believes that the only hope for the Jews is the end of all kinds of racial and religious prejudice. They trust



A DUCE IN THE HOLE!

—Talbot in Washington News

that the present disturbances are only temporary, and that within a few years the Jews will once more be allowed to move freely in Germany's economic and social life. According to their viewpoint, the Jews should be assimilated into the regular life of the nation as quickly as possible.

A number of Jews, however, not only in Germany but in other countries throughout the world, believe that persecution is inevitable. They insist that the Jews can never have a peaceful and secure life until they live in a country of their own. Palestine, the historic home of the Jews, must be developed and improved so that it can support all the Jews who want to live there.

This movement, known as Zionism, has been gaining ground in Germany during the past two years. This month the leading Zionist newspaper in Germany commented on Hitler's new laws forbidding any social or commercial intercourse between Jews and Germans. The Zionists said that this policy was inevitable and they asked only that there be no further persecution of individual Jews and that the Jews now in Germany should be permitted to leave whenever they were able.

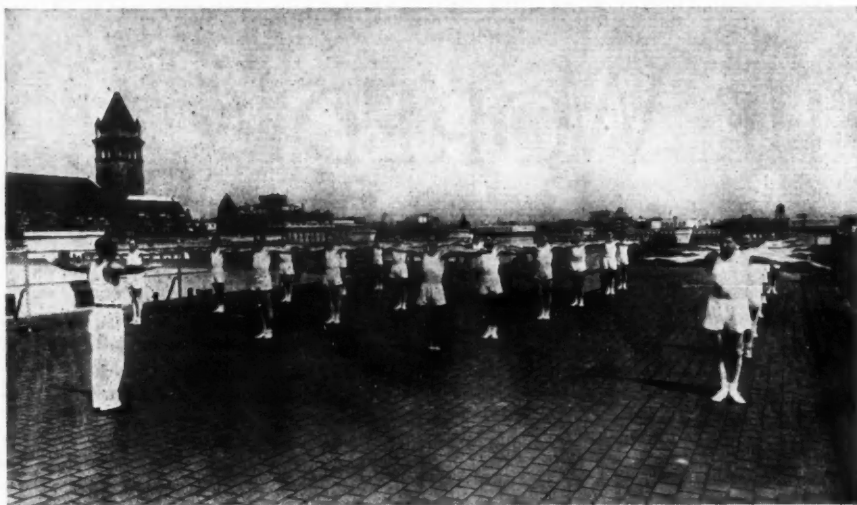
Egypt: The Home Insurance Company of New York, along with a number of British, French, and Dutch companies, has a branch office in the Egyptian city of Cairo. Last week it was doing the briskest business it has done since the World War, selling its standard policy to provide for loss against "war, confiscation, riots, and civil commotion."

The rate was up from .1 to 1.25, and although there were many protests, the policies continued to be sold. The chief customers were Italian merchants and shippers, who shunned the British and French companies because they had "insulted Italy at the League meeting in Geneva. All through the white man's colonies in Africa, there is a rising fear that the Italo-Ethiopian war will mean a marked hostility in the native attitude, with the possibility of extensive riots and bloodshed.



ITALIAN WARSHIPS AT PLAY

As they recently maneuvered in the Mediterranean. They are ready for more serious work if Il Duce demands it.



SETTING UP A BUNCH OF G-MEN

© Harris and Ewing

The roof of the Department of Justice Building in Washington is used to train aspiring agents. More important than regular setting-up exercises, new G-Men are taught all the arts of crime detection in the well-equipped laboratories of the department.

Circuit-Rider

Last week the President's special train chuffed from its siding in Hyde Park to Washington, ending Franklin D. Roosevelt's three-week vacation spent on his own and his mother's country estate. After a few days at the White House, he planned to entrain for a cross-country speaking tour, announced several months ago.

Declining repeated invitations to talk to the violently pro-bonus American Legion Convention in St. Louis, the President scheduled only two major addresses, and dopesters predicted both would be frankly political—one at Boulder Dam, the other at San Diego's exposition, interspersed with frequent back platform chats in smaller cities. Then he will embark in the battle cruiser *Houston* for a fishing trip in the Pacific, through the Panama Canal, the Gulf of Mexico, and finally home via one of the Atlantic ports.

His final week at Hyde Park was a busy one. He pushed a button, starting construction on Florida's ship canal, congratulated Manuel Quezon on his election as first president of the Philippine commonwealth, swapped political gossip with Postmaster General Farley and Publicity Director Charles Michelson, ironed out a dispute between Works-Relief Administrator Hopkins and Secretary Ickes (awarding most points to Hopkins), discussed the European situation with Jesse I. Strauss, ambassador to France, accepted the resignation (and in a letter praised the work), of Joseph P. Kennedy from the Securities Exchange Commission, and named a coal board to administer the "Little NRA" established for that industry by the Guffey coal act.

After a swift glance at his desk in Washington, he planned to ride his political fences, cocking an acute ear to the temper of crowds which will swarm round the brass rail of his observation car, trying to judge whether America's enthusiasm for the New Deal has waxed or waned since the 1934 elections.

Kennedy Resigns

Few New Deal chieftains have received more plaudits upon leaving than did Joseph P. Kennedy, administrator of the important Securities Exchange Commission, when he turned in his resignation last week. His reason for leaving was that he was unable to afford to give more than a year of his time to government service.

The securities exchange act to regulate Wall Street was greeted with angry growls by brokers when Congress passed it last year. After a year's trial, even conservatives admit that much good has come from Kennedy's wise administration of the exchange rulings. The conservative Republican New York *Herald-Tribune*, while still maintaining that the act had been passed out of a spirit of malice and spite toward business, conceded that Kennedy's administration had been constructive and helpful.

The new chairman of the Securities and Exchange Commission is Professor James M. Landis of the Harvard Law School. Mr. Landis was one of the authors of the securities act of 1933 and the securities exchange act of 1934, and has been a member of the

commission since it was established. He had been strongly recommended for the position by the retiring chairman.

Mr. Kennedy's successor is only 36 years old. He was born in Tokyo, Japan, where his father was teaching in the Presbyterian mission school, and did not come to the United States until he was 13. After graduating from Princeton and from the Harvard Law School, both with high honors, Mr. Landis won the coveted appointment as secretary to Louis D. Brandeis, famous liberal justice of the Supreme Court. He returned as a professor to the Harvard Law School, and was called to Washington in the early days of the Roosevelt administration, to serve as one of the first members of the Brain Trust.

In his new position, Mr. Landis plans to administer the securities exchange act, regulating the activity of the nation's stock exchanges, along the lines he worked out with Mr. Kennedy. But he will have another and a more difficult job—setting up a mechanism to enforce the public utility act, which has been handed over to his commission. Under this act, the Securities and Exchange Commission will have the power to regulate utility financing and "holding companies," and to provide means for dissolving those holding companies which are unlawful under the act.

Constitution-Savers

In the past, Constitution Day has slipped past almost unnoticed by the press, ranking with such minor anniversaries as Navy Day, Columbus Day, Bunker Hill Day, and Father's Day. But because of their concern over the future of the United States Constitution, Republicans turned the anniversary of that document's adoption last week into a political field day.

From San Diego President Hoover warned 14,000 adults and 6,000 school children that our liberties are seldom undermined by direct assault, saw fearfully that "men throughout the world are surrendering their freedom through false promises of economic security," claimed that in America, the Constitution is "being besieged from within and without."



—Elderman in Washington Post
ANOTHER YORKTOWN

The Week in the

What the American People

Republican presidential aspirant Frank Knox, speaking at a Constitution Day rally in Chicago, saw America at Armageddon in 1936, and pointed out to those who argue that "you cannot eat the Constitution," that "neither can you eat the Bible."

The Republican National Committee's chairman, Henry P. Fletcher, saw the Constitution as "America's ark of the covenant" as he stood on the platform of the New York Woman's Republican Club.

Scarcely audible in this roar of New Deal critics came the still, small voice of Daniel Roper, New Deal secretary of commerce. Speaking at Alexandria, Virginia, in the shadow of the towering Washington Masonic Monument, he hinted at further changes by asking, "Is it the will of the American people to amend their Constitution so that the federal government, in times of acute distress nationally, may by bold, direct action avert utter chaos?" Many believed this Roper feeler was the New Deal's answer—inspired by Hyde Park—to Republican charges that the President is overthrowing free government.

Liberty League

Fifty reporters gathered in the Willard Hotel in Washington last week to receive the first decision of the American Liberty League's law committee, which is now engaged in deciding the constitutionality of all New Deal measures. Before reading far in the League's 132-page pamphlet, written on the findings of 52 corporation lawyers, the reporters saw that the national labor relations bill was considered an infringement upon the "individual liberties of the employer" and a "complete departure from our constitutional and traditional theories of government."

Then the reporters got busy. For over an hour they put President Jouett Shouse, and lawyers Earl F. Reed and Raoul E. Desvergne on the stand. They wanted to know why no defenders of labor had been called in to judge whether this bill, passed to guarantee labor's rights in collective bargaining, was constitutional. They wished to know whether it was ethical or not for a group of lawyers to give wide publicity to its review in advance of the Supreme Court decision. They especially questioned Mr. Reed's statement that "when a lawyer tells his client that a law is unconstitutional, it is then a nullity and he need no longer obey that law."

The next day, the conservative Liberty League, formed a year ago to "defend and uphold the Constitution," was attacked by many newspapers. The Washington *News* sarcastically wondered if the League's court was to take the place of the Supreme Court. Secretary of the Interior Harold L. Ickes said the action showed "disrespect, gross impertinence and flagrant impropriety."

The Liberty League did not answer these attacks, but stuck by its statement that it "had sought practical lawyers noted for their cases in court involving constitutional questions," and that it only wished by these unofficial decisions to inform the public and possibly to speed up court tests.

Potato Control Killed

Comptroller John Raymond McCarl, whose task of passing on all federal expenditures has led him to be called the "watchdog of the treasury," has long been a thorn in the side of the New Deal. Time and again he has clashed with administration officials over spending policies. Last week, however, he proved to be a blessing, when he ruled that the AAA could not borrow WPA funds to pay for the running expenses of enforcing the potato control bill.

Secretary Henry A. Wallace and other officials breathed a sigh of relief. Ever since Congress passed this law, providing for control of potato production with a tax of three-fourths of a cent on every pound grown in excess of the quota, criticism has been released in steady torrents. Mark Sullivan called it proof of the further spread of so-

cialism; several men high in public life announced that they would openly defy the law.

Meanwhile, Charles Michelson, director of publicity for the Democratic National Committee, issued one of his weekly scathing attacks on New Deal critics. He pointed out that the demand for this bill did not come from the AAA, but from western senators who yielded to the complaints of their constituents. He thought the blame should go to the right people.

Dead Cats?

New Dealers may invite criticism but would hardly welcome the kind of concentrated acid which vitriolic Hugh S. Johnson



formerly NRA head and more recently WPA head for New York, is capable of pouring upon his enemies.

Last week his announcement that he would take the stump as "a friendly but vigorous critic of the administration," promising to discuss publicly "the lousy aspects of the administration in the hope that some good would come of it," roused considerable Democratic uneasiness.

Yet they picked some grains of hope from Johnson's further statement that "the choice next year will lie between the principles of Hooverism,—which means special privilege, and those of Rooseveltism, which means special privilege."

Those who best know Johnson predicted that most of his "cracking down" in this speaking tour would be on Republicans, and any "dead cats" he tosses will whirl in the same direction.

Speed for the Army

Russia has had its Five Year Plan. Douglas MacArthur, retiring chief of staff of the United States army would like to see one

te United States

e Doing, Saying, and Thinking

fe constituted in this country—for the army. This
ge have sets forth in his farewell report, a report
tor which envisions the transformation of the
Com army into a model fighting force of speed and
ing efficiency.

Every rifleman should also be a machine
runner, trained to act on his own in an emer-
gency, and transported to the scene of action in
small cars capable of moving at 60 miles an
hour. This "super soldier" would be sup-
ported by artillery moving at 70 miles an
hour and 2,500 swift combat planes. Such
added mobility would enable the army to shift
from one section of the country to another
with the greatest possible haste, and would
more than double its efficiency. Other sug-
gestions of his report include: the installa-

Our past list of materials included in em-
bargoes contained: all ammunition, rifles,
guns, aircraft carriers and engines, subma-
rines, and even sulphuric acid, used in making
bombs. Some people have suggested that in-
asmuch as cotton is used in making explosives,
it should be put on the "forbidden" list. They
also think that trucks, tanks, and busses
should be added. The declaration of such ma-
terial as implements of war, however, is con-
sidered most unlikely.

Tax Returns Up

Income tax collections for the first 20 days
of September showed an increase of 41 per
cent, amounting to \$65,993,067, over the same
period a year ago. All districts, with the ex-
ception of California and South Carolina,
showed increases. Michigan, the center of the
automobile industry, had a gain of almost
\$9,000,000. At the same time, internal revenue
shot up, collections for the months of
July and August being \$41,460,571 above the
figures of the same months in 1934. Prosper-
ity, apparently, has actually turned the corner,
in spite of the continued unemployment and
relief figures.

Legion Convention

The old German city of St. Louis rocked
with color and hilarity last week as delegates
representing America's most potent veterans
organization arrived for the annual American
Legion convention.

After being definitely assured that President
Roosevelt would not address them, Legion
managers assembled in hotel rooms to steer
what promised to be an exciting convention.
It would, of course, demand immediate pre-
payment of the soldiers' bonus, not legally
due for 10 more years, but passed by the last
Congress by a large majority, and only checked
by a hairbreadth in the Senate following a
presidential veto.

Arriving delegates were assured by manag-
ers that this question would be thoroughly
aired on the convention floor, with Legion-
naires Vinson and Patman, both members of
Congress and both sponsors of bonus bills,
presenting their respective sides.

The only bonus question which divides
the Legion is not the advisability of paying
the bonus now, but how the money shall be
raised. Patman's bill provides for an issue
of paper money. Vinson would force the gov-
ernment to pay it, but leave ways and means
up to its discretion.

Other questions to be discussed included a
Legion condemnation of Russian recognition,
with a resolution advocating the recall of the
American ambassador from Russia, and the
election of a national commander from a
dozen soldier-statesmen whose states were
urging their election.

Rioting Debtors

Two and three years ago when America
was at the depression's bottom, public sym-
pathy strongly favored debtors as against
creditors, and often approved when mobs of
midwestern farmers broke up foreclosure
sales of their property to satisfy mortgages
held by insurance companies and other invest-
ors.

Last August another such mob blocked a
federal foreclosure sale in Missouri, but its
leaders received, instead of public approval,
stiff jail sentences administered by Federal
Judge Albert Reeves.

Clifton Gall, chief of the mob's 13 leaders,
was given the stiffest sentence—three years in
a federal prison. "Your action," declared
Judge Reeves, "is dangerously near to treason,
and certainly rebellion and insurrection." He
further criticized Gall, editor of a farm pa-
per and secretary of the Farmers' Protective
Association, finding him not only guilty of
leading a mob which committed "robbery,
slander, mayhem, false arrest, conspiracy, and
unlawful assembly in its unspeakable assault
on an officer of this court," but also found



LUNCH FOR THE CHAMBER OF COMMERCE

© Harris and Ewing

And brickbats for the New Deal, as the directors of the national organization of business leaders met in Wash-
ington. Left to right: W. Dale Clark, of Omaha; Lyman E. Wakefield, of Minneapolis;
Thomas E. Preston, of Chattanooga.

him "insolent, arrogant, and impudent when
he attempted to dictate the story of Kenneth
Clark, Associated Press reporter who had a
perfect right to be in Plattsburg."

Other rioting farmers escaped with lighter
sentences when they apologized to United
States Marshal Henry Dillingham, whom they
forcibly held prisoner last August.

Conservatives were encouraged by the de-
cision which they felt assured creditors pro-
tection of their rights, even in depressed times
when debtors have a strong claim to public
sympathy.

Guide to the U. S.

To the many tourists who visit Europe every
year, guidebooks have been of invaluable
assistance. They have told the person what to
see and where to stay, and have made his
journeys more pleasant and worth while. Amer-
icans touring the United States, however, have
not had any such aid. The last guide to this
country was published in 1909. Now comes
the announcement that over 6,500 writers,
research workers, and photographers are going
to prepare, as part of the WPA program, five
guidebooks which will enable Americans to
"discover America." This new book will
be published in five volumes, correspond-
ing to five natural regions of travel: North-
eastern states, North Middle Western states,
Southeastern states, Pacific Coast states, and
Southwestern states. Practically everything
will be described: rivers, canals, mountain
trails, festivals, hunting and fishing spots,
churches, public buildings, and historical land-
marks being just a few of the items which
will be covered. The guide will be issued, it
is thought likely, before next summer's tour-
ists pack up their vacation suitcases.

Another World's Fair

Plans for the greatest world's fair in history,
to be held near New York City in 1939 and
1940, were announced by a committee of
prominent citizens. The fair, which will com-
memorate the 150th anniversary of the full
establishment of the United States govern-

ment with the inauguration of George Wash-
ington as first President, will cost about
\$40,000,000.

Coöperation of the federal, state, and munic-
ipal governments has already been promised.
The city itself will contribute the land, much
of which it owns, as well as funds for the
development and landscaping of the project.
Within the next two weeks, steps will be taken
to incorporate a nonprofit membership com-
pany to promote the fair.

The site of the fair will be a huge plot of
land of over 1,000 acres situated next to Flush-
ing, Long Island, about half an hour's drive
from the city. Already the greatest enthu-
siasm has been shown by all industrial and
business leaders. The World's Fair in Chicago
proved to be a tremendous boom to the city
as well as to individual products advertised
along the fair's many streets, and New York's
citizens are already foreseeing greatly in-
creased business in every line of activity.

"Relic" Unchanged

While friend and foe alike of the New
Deal were defending and appraising the Con-
stitution last week, the Pennsylvania elector-
ate went to the polls to decide whether there
should be a constitutional convention. Gov-
ernor George H. Earle, who called the 61-
year-old charter of the state "a relic of horse-
and-buggy days," wanted the convention to
pass three reforms: (a) to make possible pen-
sion and insurance legislation to conform with
the national social security law; (b) to give
increased borrowing power in emergencies, and
(c) to permit reorganization of state and lo-
cal government in the interest of economy
and efficiency. Governor Earle lost, as a
strong negative vote poured in from the farm-
ing districts. Conservatives bubbled with
glee; this, they claim, is the sentiment of the
American people against any possible revision
of the federal Constitution.

C. of C. Hits New Deal

Launching an effort to sound out business
opinion on the New Deal, the board of direc-
tors of the United States Chamber of Com-
merce submitted a referendum to its 1,500
member organizations. Over 750,000 indi-
vidual businessmen will be asked to give a
"yes" or "no" answer to this question: "Do
you approve the trend of legislation since
President Roosevelt took office?"

The chamber's board of directors left no
doubt of what their own answer would be.
The referendum was suggested by a Commit-
tee on Trends in Federal Legislation which re-
ported to the board that "there is a steady en-
deavor to replace with federal jurisdiction the
jurisdiction of the states over matters hereto-
fore considered as belonging solely in the field
of local and state self-government." The com-
mittee declared that President Roosevelt had
taken advantage of powers which were granted
for an emergency to "consolidate" the author-
ity of the federal government. Its report
struck at government spending, government
competition with private enterprise, govern-
ment regulation of agricultural and indus-
trial production, and, finally, at federal inter-
ference with "the relation between employers
and their employees."



—Darling in N. Y. Herald Tribune

WPA tion of completely modern equipment, a larger
number of trained officers, and a reserve army
of at least 120,000 men.

On December 15, MacArthur will retire as
chief of staff and move on to the Philippines
where he will take charge of building up the
Philippines' defense forces. He is well acquainted
with their problems, as he was there from
1903 to 1904, and later on from 1922 to 1925.

For Neutrality

In the closing days of Congress, a few sen-
ators, driven on by the fear of another war
in Europe, pushed through vital neutrality
legislation, forbidding shipment of arms and
munitions to any belligerent country, either
directly or indirectly. The question of what
arms and munitions are has, however, re-
mained undecided. Last week, Secretary of
State Cordell Hull announced that he was
calling a meeting of the Munitions Control
Board to air the question thoroughly. He also
set up within the Department of State a spe-
cial office to care for the licensing of arms
of manufacturers and general supervision of the
arms trade.



—Fitzpatrick in St. Louis Post-Dispatch
"YES SIR, SHE'S MY BABY—"

Historical Backgrounds

By David S. Muzzey and Paul D. Miller

Exploration and Expansion

WE ARE ready this week to begin our work of history correlation. We shall attempt, week by week, to follow chronologically developments which most of the classes in American history will be studying and, wherever possible, to show the relationship between these events of the past and present-day occurrences. It will be found that in many instances there is a continuity running throughout, and that many of the events of centuries ago marked in reality the beginning of developments which we are witnessing to-day. In this way, more than in any other, will the student realize the meaning and importance of history.

As we come upon the period of discovery and exploration of the fifteenth and sixteenth centuries, we find the beginning of a new era in the history of the world. Within a relatively short time the map of the world was redrawn. Hitherto unknown parts became known to man. There began one of the greatest migrations of people in the entire history of the world—a migration toward the West and the settlement of a new world. We need not discuss here all the reasons behind these discoveries and explorations, such as the revival of learning during the Renaissance, new inventions, and the rise of national states. All these things are told in detail in the history texts.

It is important, however, to remember that when the old trade routes with the Orient were closed to the Christian nations, following the capture of Constantinople by the Turks in 1453, new routes to the East had to be found. If, in the attempt to discover these routes, a new hemisphere was found, it was purely an accident; an accident, indeed, which completely altered the course of human history.

It was only natural that the great nations of Europe of the sixteenth and seventeenth centuries should try to take advantage of the newly discovered lands. Nations then as now wanted to become richer and more powerful. They wanted to possess more land and derive from it the benefits which came from overseas colonies. In some cases, notably that of the Spanish explorations, emphasis was placed upon the gathering together of riches—gold, silver, and other valuable metals. With others, the overseas possessions were used to furnish materials needed by the mother country and to settle parts of the population. There arose across the Atlantic new Englands and new Frances and new Hollands.

Of the expeditions to the New World which were conducted under private auspices rather than through governmental encouragement, both political and economic motives were determining factors. The French Huguenots sought a haven of refuge in the western hemisphere in order to escape the persecution which they encountered at home. Likewise many of the English colonists which came to America sought a land where they could practice their religious beliefs as they saw fit, without being obliged to follow the decrees of an autocratic government. Much of that which is today known as the American heritage has been handed down from these earlier settlers. The political forms of which we have become so proud were modeled along the lines

of the British institutions. The Bill of Rights which was appended to the American Constitution had many of its origins in the political aspirations of the early colonists. When these hopes and aspirations were flagrantly trampled upon by an autocratic government, the American colonies revolted and established a government of their own which was designed more fully to bring about their realization. It is no exaggeration to say that the American Revolution was more than 200 years in preparation.

After this first great period of exploration and expansion we find no such extensive movements in history. In later centuries, to be sure, the nations of the world sought to expand, but the opportunities of the fifteenth, sixteenth, and seventeenth centuries no longer existed. Even until the late nineteenth century, the scramble for colonial possessions went on, in the Orient, in Africa, and elsewhere. Our own country, as it matured, spread out, not only to include territories to which it was connected in a geographical sense, but to acquire far-flung overseas possessions; in a way to build an empire.

Unlike the early explorations, these later developments had as their objective not so much the establishment of colonies where parts of the population could be settled, but control over regions rich in raw materials necessary for the industrial expansion and prosperity of the powerful nations. Where outright possession could not be obtained, protectorates were established and concessions of one kind or another were secured.

We are today witnessing a dramatic chapter in this same, old story of reaching outward. When the World War came to a close and the map of Europe was redrawn, certain nations were left without colonial possessions. They were deprived of the sources of the raw materials which they needed. For nearly 20 years Germany has been attempting to gain control of sections of the world which would offer her the advantages enjoyed by such countries as the United States, Great Britain, and France. Four years ago, Japan helped herself to the Chinese province of Manchuria because she saw in that region the chance to get the raw materials which she so sorely lacked. Today, Italy is on the verge of walking into Ethiopia and establishing herself there because Ethiopia is the only important country in Africa that has not already been gobbled up by the other powers and because she sees in that country a chance to get control of the raw materials which she lacks and feels she must have in order to exist. Because there are so few opportunities for overseas expansion today, the conflicts of interest between the nations of the world become more acute than they were when half the earth's territory was open for exploration, expansion, settlement, and development.



AN ILLUSTRATION IN "BOY ON HORSEBACK"



FORDING A RIVER IN ETHIOPIA
An illustration in "Hell-Hole of Creation,"

Among the New Books

American Journalism

"Freedom of the Press," by George Seldes. (Indianapolis: Bobbs Merrill. \$2.50.)

THE American press vies with that of England for the honor of being the freest in the world. No laws limit its legitimate activities. It is, by and large, what its readers and its publishers make it.

Yet when a newspaper does not actually distort the news, it must select it, and either of these two processes may give the reader a twisted picture of the world. George Seldes, a brilliant reporter, tells what is often a first-hand picture of this distortion. The press is a money-making institution. Many newspaper publishers are just as cash-register-minded as their advertisers, and would no more print a story which threatened to lose them money than a department store would offer an unprofitable line of goods. Other newspapers are controlled by big banks or industries, and distort the news to fit the self-interest of their owner or his intimate social acquaintances.

Of course, as far as actual freedom is concerned, the press in America is not to be placed in the same class as that of Germany, Italy, Japan, and other nations with rigid governmental censorship. In this country, the government, while it may at times be accused of seeking to influence the press, does not infringe upon its basic rights of freedom. Moreover—and this is a fact which Mr. Seldes seems to overlook—all shades of opinion can be freely expressed in America without interference from the government. That so many newspapers do not make better use of their freedom is to be regretted.

No Man's Land

"Hell-Hole of Creation," by L. M. Nesbitt. (New York: Alfred Knopf. \$3.75.)

LAST week when it was suggested to Mussolini that the League might permit him to take the territory of Danakil, adjoining Italian Eritrea, he snapped his fingers and asked scornfully, "Do they think I am a collector of deserts?"

After reading Nesbitt's book, one understands why. Nesbitt spent three

and a half months attaining the honor of being the first white man to cross this ferocious wilderness alive, and has since achieved one of the truly important travel and adventure books of this decade. He has a straightforward, scientific, matter-of-fact mind. He tells of a country as desolate as (and in many respects resembling), the surface of the moon, peopled with a warlike tribe as remote from any civilization we know as though they lived on Mars.

Temperatures were seldom less than 165 degrees in the shade at midday—nights would have been unbearably hot for any but that exhausted little band pushing desperately on to reach the next water hole (never less than three days' march apart), before their goatskin waterbags were emptied. Through all this torturing heat they were compelled to use, in dealing with the blood-thirsty natives, a diplomacy of desperation which would quickly have exhausted the patience of the statesmen now gathered at Geneva.

These simple sons of the stone age habitually fell upon all strangers, slaughtered and dismembered them, and displayed sundried bits of their bodies about their necks as trophies of the chase. How often and how nearly Nesbitt and his party faced this fate and managed to escape, he tells with an economy of words, but with a wealth of vivid detail which makes the narrative far more moving than any work of fiction.

Lincoln Steffens' Youth

"Boy on Horseback," by Lincoln Steffens. (New York: Harcourt Brace. \$2.)

HERE is the story of an American boyhood, in the almost forgotten days when California was a part of the "Wild West." Lennie Steffens grew up to become one of the most colorful figures in American journalism, a reporter whose assignments covered the world, but he tells us that in many ways he never got far away from the "Lennie" who thought that all his problems would be over if he could get a pony of his own.

"Boy on Horseback" is Steffens' humorous portrait of himself as driver, dare-devil rider, friend and companion of ranchers, cowhands, and Chinese farmers. Readers who make his acquaintance in this book will want to go on with his famous "Autobiography," in which Lincoln Steffens puts bankers, politicians, Theodore Roosevelt, Mussolini, Lenin—all the men who made history and Steffens' own rich education—onto the same expert dissecting table. Few Americans had his opportunity to search for wisdom, and even fewer made such brilliant use of their opportunities. The publishers have labeled "Boy on Horseback" for readers between 10 and 14, but no one who knows the "Autobiography" from which this book is reprinted will take that classification seriously. This is a book for people of all ages.



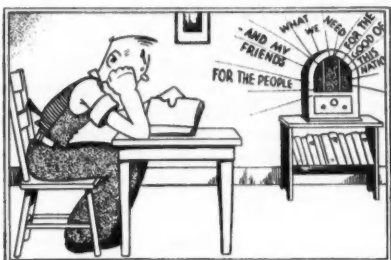
GEORGE SELDES



The question of propaganda. Do the newspapers distort the news to further their own views? What influence do the movies and the radio exert?

THESE three imaginary students will meet each week on this page to talk things over. The same characters will continue from week to week. We believe that readers of THE AMERICAN OBSERVER will find it interesting to follow these discussions week by week and thus to become acquainted with the three characters. Needless to say, the views expressed on this page are not to be taken as the opinions of the editors of THE AMERICAN OBSERVER.

Charles: It seems that the United States Chamber of Commerce has gone a bit too far in its campaign against free speech and free teaching. Objections to its drive



against what it calls "subversive activities" have arisen within its own ranks.

John: What are you talking about?

Charles: I'm talking about the friction which has developed in the national headquarters of the United States Chamber of Commerce. A member of the research staff of the Committee on Subversive Activities, a Mr. Clarence R. Athearn, has resigned. He says he doesn't want to have anything to do with the putting out of false propaganda. He refuses to take part in an attack which is being made on the president of DePauw University. He believes in academic freedom and he thinks the big business interests represented by the Chamber of Commerce are fighting against the freedom of teaching. Of course, they claim to be fighting against "reds," or communists, and say that they are preserving our American institutions, but under cover of that pretense it appears they are really working to prevent the expression of opinions with which they do not agree. At least it seems to me to be very significant that one of their own research men should charge them with putting out false information.

John: Where did you get your story? I didn't see anything about it in the papers.

Charles: Of course you didn't. Most of the papers refuse to carry news which is unfavorable to the business interests. I happened to see it in one of the Scripps-Howard newspapers. I doubt if it appeared in any other papers. I didn't see it any place else. The papers print only what they want the people to know about. If a communist or even a liberal makes a break of any kind or says some foolish thing or makes a statement which is clearly false, the papers carry the news in a conspicuous place. They are anxious enough to tell it when a farm or labor leader goes astray, but when big businessmen are shown up, they are very quiet. That's why so many people get the impression that business leaders are wiser than others.

John: So you've fallen for the idea that the press is bribed or controlled, have you? I've heard radical soapbox orators declaim about the "kept press," but I didn't expect to hear such foolishness from you.

Charles: I didn't say that the press was "kept" or controlled or bribed. It doesn't need to be. The owners of big newspapers are among the leading businessmen of the cities in which they live. The owners of small newspapers are among the leading businessmen of the small towns. They express the views of the business classes just as a banker or a manufacturer would. They belong to Rotary Clubs and Chambers of Commerce. They don't belong to labor

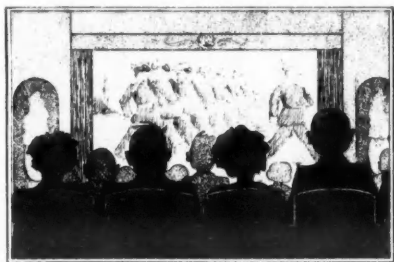
unions or farm organizations. So they go along with the business crowd without being bought or controlled.

Mary: I agree in part with what you say, Charles. I do think that most of the newspapers are, in a way, lined up with the conservative business element, but at the same time I don't believe that they necessarily falsify the news or ignore important things for that reason. They want their papers to be read. Mustn't they give the people what they want in order to maintain popularity?

Charles: To a certain extent, but they can select the news and leave out a lot of it without anyone's knowing it. John, for example, hadn't heard of the charges which were made from the inside against the United States Chamber of Commerce, because the papers he read had said nothing about it. He wouldn't raise a kick about something he'd never heard of. I imagine that most of the readers of the conservative papers think they are getting most of the important news.

Mary: But a paper can't go along day after day ignoring important news without being found out. And I do think that the stories of suppression are exaggerated. Let's take the New York Times, for example. It is a big wealthy business enterprise. In editorial policy it is conservative. Yet the Times, though strongly against communism, kept Walter Duranty as its Russian correspondent despite the fact that Duranty wrote sympathetically and understandingly about the Russians.

John: I think, Charles, that you've been



reading the Hearst papers, and you get the impression that all the big, conservative newspapers are like that. But the best of the papers are news papers, and not merely propaganda sheets.

Mary: I do think that one shouldn't depend too much on the newspapers. They are nearly all conservative, and their editorial pages reflect not the views of all the people but of the conservative business interests. One should balance his reading diet by reading good liberal magazines occasionally.

John: What magazines do you refer to?

Mary: Oh, there are a number which are good and which express liberal or progressive opinion. I'm thinking particularly of *The New Republic* and *The Nation*. *Harper's*, too, though not a magazine of editorial opinion, carries many liberal articles. So does *Forum*, and *Scribner's*.

John: How about the *New Outlook*?

Mary: It is all right, but I was speaking particularly of the liberal magazines. The *New Outlook* articles are nearly all conservative. They express views similar to those you find in the newspapers. The same may be said of the *Review of Reviews* articles.

John: I wouldn't say that *Current History* articles are particularly conservative. Would you?

Mary: No. I wouldn't class them, in the main, as either liberal or conservative. They are largely factual.

Charles: Before we get off the subject of news and propaganda I want to emphasize the fact that the newspapers are

not the only offenders against an unprejudiced presentation of facts. There are many other agencies for the influencing of opinion—the movies and the radio, for example.

Mary: Do you think many opinions are influenced by the movies? Don't people go to them merely for entertainment?

Charles: Yes, that's what they go for, but they get a lot of propaganda shot at them just the same. The newsreels arrange the pictures of war and preparedness in such a way as to teach the necessity of militarism. And the main pictures themselves are often subtle propaganda against labor and liberalism. The heroes and heroines are nearly always of the idle, so-called "upper classes," and when workers are brought into pictures it is in a derogatory or patronizing way. Farmers are shown in the same light. And when pictures deal with social problems, the heroes are always from the wealthy elements.

John: The movie directors, like the newspapers, give the people what they want, and it's frequently something pretty shoddy. But when you talk of people being influenced in their social opinions by the movies, you are simply "seeing things." Most people pay no attention to anything except the romantic and adventurous aspects of the pictures. And as to the matter of classes, I think that the wealthy and aristocratic classes are misrepresented by the movies as badly as any others. Remember that the villains and the silly characters in the movies are from the "upper classes" as well as the lower.

Charles: Well, if I haven't been able to make you see that the newspapers and the movies put out conservative propaganda, I suppose you'll laugh me to scorn at the next charge I'm going to make, but I'll make it anyway. Some of the comic strips are filled with propaganda designed to deceive the unwary, and to line everyone up with the wealthy business interests.

John: Now that's the limit! So the comic strip artists are big business agents, pulling the wool over our eyes, are they?

Charles: Do you, by chance, ever look at the strip called "Little Orphan Annie"?

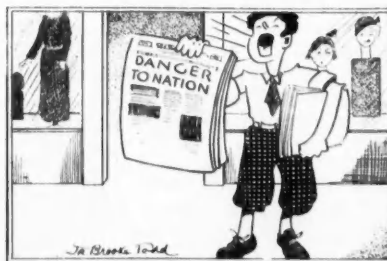
John: No, I'm not a follower of the comics.

Mary: I look at it sometimes. What of it?

Charles: Do you remember the series of "Little Orphan Annie" scenes a little while back which depicted a lot of labor trouble?

Mary: Yes, I remember them.

Charles: Well, you may remember that in every case the labor leaders were dangerous looking bewhiskered villains. Finally the workers decided to turn against these "vicious" characters, and presumably settle down to the delightful conditions their benevolent bosses were giving them. What about that, for subtle propaganda, designed to reach millions of people who aren't prepared to do their own thinking?



Mary: I don't know much about the comics, Charles, but I think you've left out one of the most powerful propaganda agencies, the radio.

Charles: I haven't left it out of my mind, Mary. I haven't said anything about it because I haven't had time. I've got to go now to work on my history lesson.

John: Better take something for your nerves before you come back next week. You told me at the end of our conversation a week ago that I should cool off. I think you should apply the same advice to yourself.

THOUGHTS AND SMILES

Mussolini hints that he has some terribly deadly stuff to use on the Ethiopians from the air. We just wonder if he is figuring on broadcasting an amateur hour program.

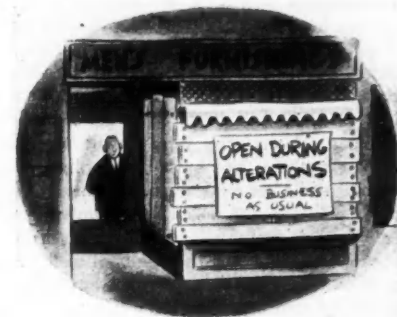
—OHIO STATE JOURNAL

We are not pacifist, but the next recruiting sergeant that gets us has to be a big guy.

—DALLAS MORNING NEWS

Conceit is God's gift to little men.

—BRUCE BARTON



—FROM JUDGE

Denmark will not permit the importation of any more American automobiles after the first of the month. No doubt the trouble is keeping one of our cars inside the kingdom when in high.

—INDIANAPOLIS STAR

Next to General Hugh Johnson's rest periods, perhaps the shortest thing in the way of vacations is a naval building holiday.

—SAN FRANCISCO CHRONICLE

If you were precisely in my path and half a mile away, I would just graze you. If you moved, it'd simply be too bad.

—SIR MALCOLM CAMPBELL

An appropriation of \$10,000 has been made to count the big trees of California. It is not believed, though, that the G. O. P. hunt for presidential timber will be made an FERA project.

—LITERARY DIGEST

With the requirement that all brakes shall be thoroughly inspected, a lot of people, instead of running over a man, will be able to stop right on top of him.

—PHILADELPHIA INQUIRER

All men are born free and equal, but grow up into a graduated income tax world.

—CINCINNATI TIMES-STAR

So many people are in favor of Borah for President that he must be about ready to oppose the idea.

—SAGINAW DAILY NEWS

There is equality left in the old world. Any little European boy has a chance to grow up and some day become an unknown soldier.

—PORTLAND OREGONIAN

At 83 a Tennessee farmer has journeyed to Knoxville, 41 miles away, for the first time in life. It must be the gypsy in him.

—SAN FRANCISCO CHRONICLE

Broadmindedness is the result of flattening highmindedness out.

—GEORGE SAINTSBURY

Herbert Hoover is in such a state of mind that he can hardly agree with F. D. R. that erosion is not desirable.

—LOUISVILLE TIMES

Hitler says that Europe is not big enough for a war under modern conditions. We hope they don't think that they can hold it over here.

—THE NEW YORKER

They've organized a bloc in the United States Senate to fight the building of more warships. Here's one old bloc you can't get a ship off of.

—NORFOLK LEDGER-DISPATCH

America has boasted that it had no leisure class. This is an error; its leisure class has been its youth. Study the discipline of youth in other countries and you will accept this inevitable judgment.

—DIXON RYAN FOX

At about this time of year some men consult stylebooks to find out what they will be wearing this fall. Others just look in the glass.

—BOSTON HERALD

A 16-year-old New York girl has learned seven complete operatic roles. After the third opera it doesn't do any good to spank them.

—GRAND RAPIDS PRESS

A spade is a gun of peace and a weapon for domestic self-preservation. The spade is the instrument which most honors the nation.

—ADOLF HITLER

Soft Coal Miners Strike as Conciliation Efforts Fail

(Continued from page 1)

Many of them earn from \$500 to \$700 a year and, although that is not enough to keep a family in health, comfort, and decency, it enables them to keep body and soul together. But these are the more fortunate of the mining families. Many of the miners have been out of work for years. They live in stranded communities, communities which were formerly prosperous, but which are now without activity. Twelve years ago, more than 700,000 men had work in the soft coal mines. In 1932 there were fewer than 400,000. Thus more than 300,000 had been deprived of their incomes. A majority were unable to find work elsewhere, and have been obliged to go on year after year living on charity or relief. In the last dozen years more than half the soft coal mines of the country have been closed, throwing thousands of men out of work, many of them probably never to be reemployed.

From the standpoint of the mine owners



—Courtesy U. S. Bureau of Mines
AT WORK

the situation has been hardly more satisfactory. Those who are still in business have been obliged to withstand the most difficult of conditions and the most severe competition. Since the war there have been thousands of bankruptcies, and many mines have been forced to operate month after month and year after year without a profit. Coal operators have known depression not only since 1929 but since the years shortly after the World War. Part of the trouble was, in fact, due to the war itself, for in order to supply the demands for soft coal thousands of new mines were opened and the production of coal increased greatly. Under normal conditions these mines could not be operated at a profit, but when the price shot upward during the war it became profitable to put them into operation.

Difficulties of Owners

By 1923 this expansion of the industry had gone so far that there were nearly 10,000 commercial mines in operation. They were capable of turning out nearly a billion tons of coal a year. Since never in the history of the country had there been a demand for more than about half that amount, it is easy to appreciate the consequences. Prices fell. Mines had to

be closed. The annual output was reduced to less than a quarter of a billion tons.

This decline was not due entirely to the overexpansion which took place during the war. A number of other causes contributed. There began to appear other products which took the place of coal. Gas and oil and electricity became powerful competitors. In 1929, American industries and railroads were using 33 per cent less coal than they were in 1909. Then, too, new inventions and improvements enabled people to get more energy from the same amount of coal. One ton of coal was made to turn out as much electricity as three tons had previously produced. By means of new improvements, only three tons of coal were needed by the railroads where a few years earlier five tons had been used. All along the line this sort of thing happened. The users of soft coal needed less to do the same amount of work. It is estimated that had it not been for these improvements 210,000,000 more tons of coal would have been used in 1929 than were required, to say nothing of the amount which would have been used had it not been for competition from gas, oil, and hydroelectric power.

A Vicious Circle

Conditions kept going from bad to worse. In order to stay in business, mine owners had to underbid their competitors. Price-cutting was carried to unusual lengths. Then, in order to reduce costs, wages were cut. Then followed more wage cutting and more price cutting until no one seemed to be able to break the vicious circle. By 1932 things had gone so far that miners, in some places, were paid only 16 cents for loading a ton of coal. The workers were hopelessly in debt, working less than half the time and earning scarcely enough to supply the barest necessities, and the mine owners were constantly facing bankruptcy.

About the only ray of hope in this black picture came two years ago when the NRA was established. By means of the codes which had been established, the owners were able to fix prices and thus prevent the disastrous competition which had played such havoc with the industry, and through the minimum wage provisions the workers were better off than they had been for years. Of course, there were certain flaws in the formula, for the higher prices brought back into production mines which had been closed for years, and there were chiselers who undersold those who obeyed the code provisions as to price. Coal was bootlegged in many places. Again surpluses began to accumulate, and even before the NRA was declared unconstitutional, the price structure which it had erected tottered alarmingly.

Since the abandonment of the NRA,



COAL MINE

From a drawing by Thomas Benton in "We The People," by Lee Huberman (Harpers).

hope for a revival of the coal industry, both from the position of the workers and the operators, has centered in the so-called Guffey Coal Stabilization Act which Congress rushed through during the closing days of the last session. This law has not been in force long enough to produce results. It was only about 10 days ago that President Roosevelt appointed the men who are to administer the act. The purpose of the new coal law is to revive the industry by following the lines which were set up by the NRA. The industry will be governed by codes which will determine prices, hours, wages, and other working conditions. Because of the similarity, the Guffey act has often been referred to as a "little NRA."

The Guffey Act

In order to force mine owners to adhere to the provisions of the codes, a tax of 15 per cent of the selling price of coal is to be collected by the government. Of this amount 90 per cent will be returned to those operators who follow the provisions of the codes. In this way those who do not comply will be penalized so heavily that they will find it to their interest to fall in line. It is doubtful whether they can compete with those who receive the rebate. The Guffey law also protects the interests of the workers by guaranteeing to them the right to organize and to bargain collectively with the owners.

It is expected that, under the Guffey act, wages of coal miners will vary in different sections of the country. For that reason the country has been divided into a number of districts, each of which will work out its own rates. The wage rates are to be determined by collective bargaining between the workers of each district and their employers. Contracts are to be drawn up between the miners and operators. A contract acceptable to producers of more than two-thirds of the annual tonnage of a district and to representatives of more than half the workers will be binding upon all members of the industry in that particular region.

The original Guffey bill had a provision for the establishment of a "national coal reserve," the purpose of which was to remove from production a large number of the less efficient mines. An appropriation

of \$300,000,000 was to have been made to buy up these marginal mines. The House of Representatives, however, refused to accept this provision, and consequently there is no way to curtail the production of coal and thus prevent the overproduction which has been responsible for so many of the industry's ills since the war.

The Future

Many feel that without such a provision the Guffey act will be unable to cope successfully with the difficulties of the coal industry. Hopes of the supporters of the bill have been further dampened by the shadow of the Supreme Court which hangs over the law. Few members of Congress, in accepting the Guffey bill, believed that the Supreme Court would hold it constitutional and the President recognized the possibility of an adverse decision when the law comes up for examination by our highest court. Thus there is considerable uncertainty about the future which makes it difficult for the industry to go ahead as it otherwise might do in attacking its problems. The miners themselves do not have much confidence in the successful operation of the Guffey law as indicated by their repeated threats to strike.

There are many who believe that a solution of the problems of the coal industry can be found in nothing short of government ownership and operation. The Guffey act is obviously an experiment which may or may not prove equal to the task of removing the deep-seated difficulties which beset the industry. Only one thing is absolutely certain. We have not yet heard the end of the trouble. Both the workers and the employers are in a serious dilemma. Many owners recognize the justice of the workers' case, but they feel unable to do much about it. "We realize that the men are not making enough wages to support their families. But we cannot pay enough for three days' work to pay a man what he should get for a full week's work," declared Charles O'Neill, a Pittsburgh mine owner, last week. That statement expresses in a few words the basic trouble with the industry, and until a solution of that problem is found, there can be no satisfaction either to workers or to owners.



A BITUMINOUS COAL MINE AND VILLAGE IN PENNSYLVANIA

—Courtesy U. S. Bureau of Mines